

NPIC/TSG/RED-68-71

3 June 1971

MEMORANDUM FOR: Chief, Technical Services Group, NPIC

SUBJECT : Management Improvement Program

1. In response to your request for Research & Engineering Division inputs to the Management Improvement Program, the following information is forwarded:

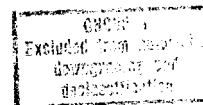
a. Due to the nature of our mission and functions, there is little in a quantitative sense that we can isolate in terms of R&D dollar savings. This is true because the number of essential R&D projects requiring funding always exceed the funding available. As a consequence, money which has been saved by cancellation of one program ultimately ends up on the funding of another high priority project.

b/ There are, however, a number of substantive attempts to improve our R&D management--some of which were undertaken in FY-71, others which will be implemented in FY-72. One of the most significant of these new management approaches is a concerted effort on our part to increase R&D visibility for top management with the overall intent of recognizing programs which are approaching a stage of technical, contractual, or monetary trouble at the earliest possible point in order that we may expeditiously cancel or re-direct them thereby minimizing the possibility of technical failure or extensive cost overruns.

c. Toward this end, we have been maintaining a dynamic, mechanically structured status board system which visually flags the progress of R&D contracts underway. Furthermore, we are currently in the process of developing (and should implement by the first quarter of FY-72) a newly computerized system which will permit immediate call-up of crucial contract information from a constantly updated data base on a near-real-time basis. Extensive effort has been taken on our part to insure compatibility of this

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in-house system with the Agency's overall Contract Information System, thereby obviating duplicate inputs and achieving some savings in man hours. Current plans call for near-real-time demonstration of this system on-line to the Center's computer by July 1971.

d. Current R&D programs tend to be more complex and sophisticated than past programs. Inflation continues to be a problem and technology (particularly in the areas of electronics and optics) continues to advance in leapfrog like bounds. As a consequence, we have undertaken a studied process of subdividing our more technically complex developments into incremental steps, phasing these programs in such a manner that we can prove or disprove the original concepts, design, feasibility, etc., at the earliest possible point. This process will, hopefully, allow more prudent examination of the contractual process leading to early re-direction or, in some cases, cancellation in order to get out of unproductive or obsolete contracts at the earliest possible moment with the least overall loss of our investment in both funds and RED manpower.

2. RED has little in the line of equipment purchases; as a consequence, although we judiciously review this area for budget savings, there is little that can be reported that represents significant cost savings. Our greatest overall contribution is obviously in the R&D Center's programs themselves, since they are directed towards increasing the Center's effectiveness and cost efficiency by the substitution of technology and equipment for manpower.

[Redacted]
Acting Chief

Research & Engineering Division, TSG, NPIC

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